3/30/79

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memo w/att	From Carter to The President (4 pp.) Fre: Brzezinski's Emer gency Transportation Needs/enclosed in Hutcheson to Brzez	3/30/79	A		
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Carter Presidential Papers-Staff Offices, Office of the Staff Sec. - Pres. Handwriting File 3/30/79

RESTRICTION CODES

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THE PRESIDENT'S SCHEDULE

Friday - March 30, 1979

7:30 (90 min.)	Breakfast with Vice President Walter F. Mondale, Secretaries Cyrus Vance and Harold Brown, Dr. Zbigniew Brzezinski and Mr. Hamilton Jordan.
	The Cabinet Room.
9:00	Dr. Zbigniew Brzezinski - Oval Office.
9:30	Mr. Frank Moore - The Oval Office.
10:30	Mr. Jody Powell - The Oval Office.
11:00	Mr. Charles Schultze - The Oval Office.
11:30 (35 min.)	Presentation of Diplomatic Credentials. (Dr. Zbigniew Brzezinski) - Oval Office.
12:10	Honorable Barefoot Sanders - Oval Office.
1:15 (30 min.)	Meeting with Editors. (Mr. Jody Powell). The Cabinet Room.
2:00 (10 min.)	Mr. Hugh Sidey. (Mr. Jerry Rafshoon). The Oval Office.



THE VICE PRESIDENT WASHINGTON

March 30, 1979

0

MEMORANDUM TO THE PRESIDENT

FROM:

THE VICE PRESIDENT

M

I am working on the matter of our Ambassador to Mexico and the coordinating job.

I've got to do some things over the weekend in order to prepare proper advice and I will be getting you a memo on Monday.

WASHINGTON
March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

JERRY RAFSHOON

As we said in the senior staff luncheon with you, the Cabinet members have been neglecting your rule of checking their appearances on television talk shows (Meet the Press/Face the Nation/Issues and Answers/TODAY/Good Morning America/CBS Morning News) with our office.

The most cooperative have been Vance, Brown, Bell and the least cooperative have been Califano, Califano, and Califano. Everyone else falls in between.

You might reiterate this rule at Monday's Cabinet meeting. Before they accept an appearance, if they would check with us we could (1) coordinate; (2) give them an idea of what the White House is thinking and would like to push; and (3) give them some of the talking points on your issues. We could also see that contradictory messages are not going to the public.

They need to be reminded that our major themes: Peace (SALT, Middle East) and Prosperity (Inflation, Hospital Cost Containment, Energy, Government efficiency, Waste and Fraud, etc.) need to be stressed by everyone and that whatever their Cabinet post is, they still need to articulate the progress of the whole administration.

telepyhone conversation re 3-mile nuclear power plant 3/30/79

with joseph hendrie, chairman of the nuclear regulatory commission

THE WHITE HOUSE WASHINGTON

Mall

Joseph Hadrie

Joseph Hendrie -- chairman of nuclear regulatory agency

Jessich

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H20 & Container

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Some cove damage 10% rupture

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Release yesterday and

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Xe,33 K
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10 town tanks full

Comm link

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Metro Edison ul hinately - Harald Denton

Thomburgh
Precantionary warmings

Monitoring

Monitoring

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Suphasize precautions,

Stiffed - not overreact

THE WHITE HOUSE WASHINGTON

3/30/79

Mr. President --

Jessica Tuchman said that the 20-25 millirems figure (page 3, 2nd line) was the report from the gate....

the figure she and others have is 1200 millirems.

--ssc

Roush

TELEPHONE CONVERSATION WITH PRESIDENT CARTER AND JOSEPH HENDRIE, Chairman of Nuclear Regulatory Agency Friday, March 30, 1979, 10:45 a.m. (app.)

JC: I thought you ought to tell me what's happening.

JH: At "three mile" there was a feedwater failing early yesterday morning. Supply generators and emergency system of feedwater got suffuciently curtailed.

Not getting energy out of primary system fast enough. Release blew down to containment.

Apparently primary relief values were hung open.

A lot of water in the primary. Some through primary which later got turned off by operator who thought pressure was high.

JC: Temperature of 500 degrees?

JH:

Yes. System pressure 400 pounds.

Later yesterday mid morning looked like established equilibrium temperature. Looking for it to get to normal shutdown cooling sequence. As long as make up going into primary for pump seal, make at minimum a few GPM. That let down going out to tanks in auxuiliary building. Water has fairly good chunk of gaseous.

Some core damage -- 1% of more.

As primary water is let down into tanks in auxuiliary building... There was release yesterday morning

JH: Yes. Still sketchy reports. Readings of

20 - 25 millirems per hour is a report from
aircraft. Which is from the <u>plume</u>. Plume

center line 1 R per hour. Apparently released
during one-hour-period.

Confused

What is worrisome. Let down tanks and auxiliary full. Must find way to pump water back to contain it and help volume down.

At moment can't be sure won't have to retransfer again in a few hours.

JC: How long like to continue?

JH: Wish I knew. Communications with site aren't good enough to be on top of.

JC: Can we provide radio communication for you?

JH: Let me come back to your staff if I can't do it elsewhere.

JC: Need to have that. I'll tell Dr. Brzezinski...
I'll tell White House communications to take care of for you.

JH: I talked to the Governor; just got off the phone with him. About the question of protective evacuation of limited area.

Let down tanks got full and people didn't understand or know what was going to happen untill it was too late to do anything. If it looks like it will happen again, will ask the State police to move out, a 5 mile radius.

JC: Is some one there that knows what they're doing?

JH: ...yes....

JC: I notice you hesitate.

JH: I think so. I hesitate, one of the causes of hesitateion is communications linkage poor.

JC: Who is the best in the country . . .

- JH: In the process now of sending some of my senior people.
- JC: Dees Rickover have some problems of divided responsibility if it gets worse and worse?
- JH: We'll be glad to hear from the Admiral.

JC: Who's legally in charge?

JH: At the plant site, the licensee. Evacuation, the state government.

JC: Suppose some people think a pump should be used to transfer; some disagree. Who decides?

JH: The plant operator.

JC: Who is that?

Metropolitan Edison. I think if we want something JH: done, licensees usually very cooperative.

JC: Seldom has been situation like this. Suppose Metropolitan Edison is trying to protect power company and not the people.

JH: Director of Reactor Regulatory can provide effective choice.

JC: Who's that?

JH:

necessary?

JC: Where is he?

JH: At this moment he's at the response center in Bethesda. Will either go to site or send his senior staff.

JC: Can I suggest to you that he go directly?

JH: Yes sir.

JC: Then I suggest that he go directly to the site.

When he gets there, I will also dispatch from here a communications system for me. I want to be able to pick up the phone and to talk directly with the site. This communication system will also be available to you. (gives example of use of communications when in remote areas on trips)

I think we need this.

JH: It would be very helpful.

JC: Assume would talk directly with Denton and you.

JH: D-e-n-t-o-n., Harold.

- JC: And you have complete confidence in him. Tell
 him to get in touch with me, and I'll send anything
 he needs. If doubtful about evacuating, I think it
 would be good to err on the side of safety.

 Your requirements are very stringent now. (Talks
 about President's exposure to Minachinty.)
- JH: Yes we have tightened the requirements. Rates are not rates I want to see people get. Reassure for surface area; can't guarantee plume.
- JC: Tell Denton that when he gets there I'd like him to talk to me personally. That anything he needs, to let you know and you let me know.

(End of conversation, after goodbye's)

which occurred from that primary water.

Auxiliary building water is filtered.

JC: Like krypton.

JH: Like krypton, actually xenon 123.

JC: What is the half-life of xenon?

JH: About five days.

JC: What happened this morning?

JH: This morning again a burst release. Apparently topped up the letdown tanks to get EPM out of system. And were series of lifting of release valves on letdown tanks. Spillage again. Again outgassing from primary.

JC: Into the atmosphere?

JH: Into containment building atmosphere, but the containment building is not sealed. All goes through _____ bank. Not tight seal.

JC: Any into atmosphere?

telephone callso

3/30/79

Elserped a mightest Con fidence ist people of Shameh flucionds hijo Contifiency ungertunt Inday 3/30 Denton 2:45 per love badly damaged - primary How rouhire Venting 1-20 m-/h Xem Kon the helotte Had bubble - Steam 400,000 gaf noble gases Fouchard - PR Let Lown flow 10 gal/Le min

Marshelf 3:00 p.m.

Teamsters

Ein guidelines. no strike

WASHINGTON

March 29, 1979

Electrostatic Copy Made for Preservation Purposes

MEMORANDUM FOR THE PRESIDENT

FROM:

JERRY RAFSHOON RICK HERTZBERG

SUBJECT:

TIME interview on the Egypt-Israel treaty

Here are some ideas to stimulate your own thoughts before your conversation Friday with the gentlemen from TIME.

- 1. The treaty does not, by itself, guarantee peace in the Middle East. But it is extremely important as the foundation stone for a comprehensive peace in what has been, ever since World War II, perhaps the most volatile region of the world.
 - --Throughout the postwar era, the Middle East has been a cockpit for almost every kind of conflict: ideological, religious, national, economic, ethnic, political.
 - --At various times, in various ways, the armed forces of the U.S., the Soviet Union, Britain, France, and the United Nations, as well as those of the nations in the region itself, have been involved there.
 - --The treaty reduces the danger of general war in the region and of great-power confrontation there. momentum of history in the Middle East has been turned toward peace.
- Prime Minister Begin spoke of "civil courage" as the key element, and he credited President Sadat with that kind of courage. I would agree--but, as usual, with a broader interpretation.
 - --Not only the two leaders but also their people have demonstrated civil courage.
 - --Beyond that, they have displayed sympathetic imagination. To an unprecedented degree, each country has managed to see the problems from the other's point of view.

3. These qualities of civil courage and sympathetic imagination will be even more important in the next, extremely difficult stages of the peace process.

--The Arabs must understand Israel's special concern about physical security. They must try to see how the world looks to a people who have suffered persecution for centuries, culminating within living memory in the murder of twice as many Jews as live in Israel today, and who see the refusal of the P.L.O. and others to accept their national existence in the light of that historical experience.

--The Israelis must also understand the feelings of the Arabs, especially the Palestinians. There can be no doubt that history has not dealt justly with the Palestinian people. This is not a question of guilt or blame. It is a question of human sympathy and the universality of human aspirations.

good

4. The peace treaty is also important as an answer to easy cynicism. The cynical view is that human beings are base creatures, more responsive to fear than to love, more attracted to revenge than to reconciliation. Egypt and Israel have proved that the cynics are not always right.

y good

5. I hope that those Americans who almost eagerly proclaim the false notion of American weakness will learn something from this. National strength has other uses than violence or bullyboy boasting. This peace treaty was the product not only of Israeli and Egyptian wisdom but of American power.

* good

- 6. As I said when I returned from the Middle East, I am glad our efforts had a happy result--but the effort was worth making regardless of the outcome. We have a duty as human beings to each other and to God to exert ourselves to the limit in pursuit of peace. Only if we do our utmost for peace have we the right to say of war, as Lincoln did in his Second Inaugural Address, that "The Almighty has His own purposes."
- 7. There has been a unity of ends and means in the peace process in the Middle East. A peaceful solution was the goal, and peaceful negotiation was the method of reaching it. Peace was the way to peace. It may not be too much to say that we have witnessed an example of the practical utility of the Golden Rule.

400

THE WHITE HOUSE WASHINGTON 3/30/79

Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

I must added that this memo should, in my opinion, have been submitted via me so I could have submitted Hugh's opinion on the front end.

Rick Hutcheson

CONFIDENTIAL ATTACHMENT

PBT, REC Project

ESDN; NLC-126-16-43-1-6

BLAZ MEADATE 8/16/13

FOR STAFFIN	_				
FOR INFORMATION					
FROM PRESIDENT'S OUTBOX					
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KREPS	SCHNEIDERS				
MARSHALL	VOORDE				
SCHLESINGER	WARREN				
STRAUSS	WISE				
VANCE					

CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER

SUBJECT:

Dr. Brzezinski's Emergency Transportation Needs

I am responding to your request for comment on Dr. Brzezinski's request for direct access to emergency transportation. Dr. Brzezinski has not discussed his problems or needs with me.

I strenously object to Dr. Brzezinski's request for unilateral access to White House military assets.

My reasons are as follows:

- (1) I cannot maintain control of the military assets as you have asked me to do if other persons are allowed to draw on them unilaterly.
- (2) The White House Emergency Plan (WHEP) is directly dependent on these assets. The creation of a second, independent, authority for ordering deployment of emergency transportation would be inconsistent with this plan.
- (3) There are no grounds for Dr. Brzezinski's concern about timely consultation with the White House Military Office. A member of the Military Office is on duty 24 hours a day, seven days a week to authorize use of assets where justified.

The Military Office is entrusted with responsibility for responding to you, the Vice President's and other top Administration officials' needs, as well as being responsible for the WHEP. As such, it should also be able to fulfill Dr. Brzezinski's emergency requirements in a timely fashion.

(4) In numerous instances, Dr. Brzezinski has requested, and received, use of aircraft and other assets. Per your instructions to me, reasonable justification is always requested.

DECLASSIFIED

Per, Rac Project

CONFIDENTIAL Review on March 28, 1985

(5) Because of safety requirements, as well as public perception, we do not fly helicopters into emergency landing zones, except in cases of real emergencies. In the two instances cited by Dr. Brzezinski (the snow storm and the farmers' demonstration) convenience and scheduling, not an emergency, were the justifications.

Additionally, the heavy snow cover existing at the time of one of Dr. Brzezinski's requests, created an especially severe safety hazard.

Both of these requests were handled personally by the Director of the Military Office, who declined them after consultation with HMX-l pilots.

Again, I strenously object to this request and strongly advocate the present system. If you are inclined to make any changes, I urgently request a meeting among you, Marty Beaman and myself before any decisions are made.

WASHINGTON

CONFIDENTIAL

MEMORANDUM FOR:

HUGH CARTER

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Emergency Procedures for NSC Affairs (U)

The President has granted me authority to decide when circumstances warrant resort to emergency procedures for my movements and related activities. Circumstances could arise which would make seeking a judgment from you time consuming and in some cases even deny us the benefits of the emergency procedures. (C)

I shall exercise this authority judiciously and only when consulting with you is not practical. (C)

CONFIDENTIAL Beview on February 7, 1985

Electronic Copy Made for Preservation Purposes

r, Rac Project

ESDN; NLC-126-16-43-1-6

THE WHITE HOUSE WASHINGTON

3/30/79

Jack Watson
Landon Butler
The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

Ce Jody Arnell

WASHINGTON

March 30, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON

LANDON BUTIA

SUBJECT:

Contingency Planning - Teamsters

The following government-wide steps have been taken in cooperation with Ray Marshall to assure proper monitoring and response by the Administration if there is a Teamsters' strike.

Economic Effects

- OoL will take weekly surveys of 4,000 selected firms to monitor effects on employment. The surveys will document effects both regionally and by major industrial sectors.
- DoL will take weekly surveys to monitor a strike's effect on critical health and safety inventories; i.e., chlorine for water purification, oxygen for hospitals, etc. HEW's regional offices will maintain this oversight responsibility.
- OUSDA will monitor a strike's effects on food supplies both at the wholesale and retail levels.
- OoT will maintain a Crisis Center to monitor alternative transit system capability to handle deliveries usually provided by trucking.

DoL will compile these data and provide both daily and weekly analyses of the economic consequences of a strike. Based on these reports, we will work with appropriate agencies to insure that critical public health and safety needs are met.

Law Enforcement

Civil

 Justice is preparing the necessary preliminary data and papers to move quickly for a Taft-Hartley injunction if, and when, you make such a decision.

The Teamsters' leadership has indicated that a strike will not interrupt deliveries of necessary defense and national security related material. If this is true in practice, it will reduce the likelihood of achieving a Taft-Hartley injunction.

Criminal

- o The major responsibility for maintaining order will be at the <u>state</u> and <u>local level</u> of government. The Attorney General is prepared to so advise the governors of affected states if, and when, that becomes necessary.
- Justice has placed FBI and U. S. Attorney field offices on alert to monitor the situation for potential violations of federal law.
- Justice will maintain a Special Operations Center to monitor the enforcement situation for the duration of any strike.

Public Information

OoL will handle routine daily news briefings in close consultation with Jody's office. It is our general view that the source of government information be DoL, unless extraordinary circumstances develop.

I agre

DoL will maintain a Rumor Control Center to check stories of alleged crises that inevitably occur during such a strike.

General Coordination

State and Local Government

- Office will handle the day-to-day communications and coordination of Federal activities viz. governors and other local officials.
- Our two offices will continue, for the White House, to monitor and coordinate the overall federal response to a strike working with Ray Marshall.

THE WHITE HOUSE WASHINGTON

Mr President -It would be good to set the stage for your energy speech with There remarks to the editoir briefing at 1:15 pm.

WASHINGTON

March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

JERRY RAFSHOON

RICK HERTZBERG

SUBJECT:

Suggested talking points for editors' briefing

- 1. We've had some painful reminders recently of the seriousness of our energy problems. The instability in Iran, followed by the falloff in supply from that country, has put tremendous pressure on the world oil market. This week's OPEC price rise was, of course, closely related to that situation.
- 2. These difficulties point up the nature of the problem we face, which has not basically changed since I first defined it to the American people two years ago. Our whole economy is tied to a particular energy source--petroleum--that is largely controlled by an unreliable foreign cartel. We are now importing half the oil we use, at ever-increasing prices. This has serious implications not only for our economy, but for the security of our country.
- 3. Last year, after 18 months of debate, we made a good beginning with the National Energy Act. The final bill was greatly altered from my original proposals, and the magnitude of what it will accomplish is only about half as great as what I proposed. But it was, as I say, a good beginning. But we obviously have to press forward.
- 4. I will have more to say on this subject in the coming week. Some of the steps I will recommend will be neither easy nor popular. But I believe that the American people, the energy industry, and the Congress are capable of meeting the challenge.
- 5. Ultimately—not within the lifetimes of you and , perhaps, but certainly within the lifetimes of our children—America's energy needs will be met mostly from renewable, inexhaustable sources. In the long term, there is no energy crisis. But there is very definitely a continuing petroleum crisis that will be with us for many years. During this long period of transition, we must learn to produce more, to get much greater productivity out of the fuel we do use, and to lessen our dependence on foreign oil. These are urgent tasks.

WASHINGTON

March 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Walter W. Wurfel

SUBJECT: Your meeting with non-Washington editorial writers,

Friday, March 30, 1:15 p.m., Cabinet Room

This is the 40th in the series of half-hour meetings with non-Washington newspersons you initiated on March 4, 1977.

These 29 men and women come from a two-week professional seminar at the American Press Institute in Reston, Virginia. They are all editorial writers, on dailies ranging in size up to the Chicago Tribune. Several are from areas where nuclear power or the disposal of nuclear wastes is a local issue, so you will probably be asked about the problems this week at the Three Mile Island nuclear power plant near Harrisburg, Pennsylvania.

One of the editors, Tom Waseleski, is from the Beaver County Times, which is the local paper for Aliquippa, Pennsylvania, where you held a town meeting. A list of the participants and their papers' interests is attached, as is a schedule for the day.

Before meeting with you these editors will be briefed on inflation, the Department of Education, regulatory reform, SALT, and MTN. Afterward, they'll be briefed on hospital cost containment, and urban and intergovernmental affairs.

There will be a two-minute photo session for the White House press during your opening comments. I will say "thank you" after 25 minutes to allow time for the quick, file-by individual pictures with you.

WASHINGTON

EDITORS' BRIEFING

March 30, 1979

AGENDA

8:45-9:15 a.m.	WALT WURFEL Deputy Press Secretary
· •	PATRICIA Y. BARIO Associate Press Secretary Office of Media Liaison
	PATRICIA E. BAUER Editor White House News Summary
9:15-9:45 a.m.	ALFRED E. KAHN Chairman Council on Wage and Price Stability
9:45-10:00 a.m.	Break
10:00-10:30 a.m.	RICHARD A. PETTIGREW Assistant to the President for Reorganization
10:30-11:00 a.m.	TERRY STRAUB Special Assistant Congressional Liaison
ll:00-ll:45 a.m.	ROGER MOLANDER Member National Security Council Staff
11:45-12:25 p.m.	ALAN W. WOLFF Deputy Special Representative for Trade Negotiations
12:25-12:45 p.m.	Lunch
12:45-1:00 p.m.	En Route to Cabinet Room

. -

1:00-1:15 p.m.	JODY POWELL Press Secretary to the President
1:15-1:45 p.m.	Q AND A WITH PRESIDENT CARTER
1:45-2:15 p.m.	Filing Time
2:15-3:00 p.m.	BENJAMIN W. HEINEMAN, JR. Acting Assistant Secretary for Planning and Evaluation
	Department of Health, Education & Welfare
3:00-3:45 p.m.	JACK H. WATSON, JR. Assistant to the President for Intergovernmental Affairs and Secretary to the Cabinet

ALABAMA

Frank T. Nagler, assistant editorial page editor, daily Montgomery Advertiser.

Conservative paper in a Republican area.

Concerns: defense (selective service registration, the future of Maxwell Air Force Base, SALT), Tennessee-Tombigbee Waterway, reorganization and regulatory reform. Alabama's legislature has supported a Constitutional amendment to balance the federal budget.

ARIZONA

Stephen E. Auslander, editorial page editor, The Arizona Daily Star, Tuscon. Conservative paper and community, concerned with inflation, energy and relations with Mexico. Local issues: Davis-Monthon Air Force Base (one of its planes crashed in a local school yard), SOHIO pipeline and gas and diesel shortages.

Mark L. Genrich, editorial page editor, daily Phoenix Gazette. Conservative Republican paper. Concerns: illegal aliens (paper opposes amnesty and border control cutbacks) and flood control (particularly a casualty of the compromise on the Central Arizona project, the Orme Dam, which the Gazette believes would protect Phoenix's severely flood-damaged eastside). The paper has a fiscally conservative editorial policy, supports increased defense spending.

CALIFORNIA

Rob L. Elder, editor of the editorial pages, daily San Jose Mercury News (Knight-Ridder). Traditionally a working-class Democratic area, with substantial Hispanic and Asian populations. High concentration of electronics industries cause local paranoia over Japan's increasing market share. Other concerns: housing, smog, unemployment, public transportation and defense contracts. Tax-conscious, the paper strongly supported Proposition 13, Brown's Constitutional convention proposal, and lowering capital gains taxes.

CONNECTICUT

David L. Heckerman, assistant editorial page editor, daily New London Day. Conservative paper in economically depressed area. Industrial, some defense manufacturing. Concerns: Trident submarine cost overruns, inflation and oil imports. Local issue: public feud over news blackout imposed by General Dynamics Corporation on the Day, while it continues to supply some information to the Norwich Bulletin.

FLORIDA

David E. Klement, editorial page editor, daily Bradenton Herald. Conservative paper serving an extremely conservative, Republican area (retirement haven). Concerns: cost of Middle East peace, Panama Canal Treaties (continues to be an issue here), phosphate mining and related environmental hazards, EPA, and inflation/energy issues.

Merlin K. Henderson, editorial associate, daily Pennsacola Journal and News (Gannett). Very conservative paper and community. Residents oppose possible closing of the Navy's Whiting Field. Panama Canal still a big issue. Normalization of relations with China opposed.

IDAHO

<u>James Boyd</u>, editorial page editor, daily Idaho Statesman (Gannett). Concerns: sale of C-130 transport planes to Libya, sugar production, agriculture, and water policy.

ILLINOIS

Jack E. Fuller, editorial writer, daily Chicago Tribune. Concerns: revenue sharing, Administration reaction to Chicago mayoral race, inflation, energy, neighborhood revitalization.

KANSAS

Richard E. Buzbee, editor, The Olathe Daily News. Affluent Republican suburb of Kansas City. Concerns: urban issues, inflation, energy, and federal budget. Paper would prefer a more conservative foreign policy.

KENTUCKY

Kenneth E. Loomis, associate editor, daily Louisville Times. Concerns: industrial waste clean-up, water projects (Clark Maritime Center on Indiana side of Ohio River), air and water pollution, Marble Hill nuclear plant (strongly opposed because it lies only 30 miles upstream from Louisville), Fort Knox, and defense issues.

David E. Boeyink, editorial page editor, daily Messenger-Inquirer, Owensboro. Local concerns: Governor's race May primary, construction of roads necessary for large trucks hauling coal, Kentucky educational system, and possible additional unions for area farmers.

LOUISIANA

James R. Montgomery, editorial page editor, daily Shreveport Times. Very conservative area and paper. Oil-producing region with some agriculture, soybeans, and forestland in the rich Red River Valley. Major concerns: EDA grants for the city (several proposals have been made but turned down), deregulation of oil price controls, and inflation.

MICHIGAN

Edward A. Hayman, editorial writer, Jackson Citizen Patriot. Middle-of-the-road Republican paper. Industrial city, especially concerned with gas prices. Other concerns: proposed EPA regulations on diesel autos, the automobile industry, and federal housing programs (city is having difficulty getting federal money).

John R. Swartley, assistant editorial writer, daily Muskegon Chronicle (Booth/Newhouse). Conservative paper in industrial area with substantial black population. Concerns: urban issues, labor, revenue sharing, and Iran.

MINNESCTA

John L. Bodette, Jr., news editor, St. Cloud Daily Times (Gannett). Conservative Catholic farming community in central Minnesota. Little local sympathy for the AAM from local dairy farmers. Strong pro-life contingent. Concerns: proposed high voltage power line, Taiwan, alternative energy sources and fuel costs. The paper opposed recent budget cuts in alternative energy research and development.

Glenn H. Ickler, associate editor, daily St. Paul Dispatch and Pioneer Press (Knight-Ridder). Conservative paper in progressive area with urban concerns. Ickler's special interests are the National Collegiate Athletics Association, Foreign Commerce Committee, federal judgeships for Minnesota, inflation and energy. You may be asked about local media attention to a "draft Kennedy movement."

MISSOURI

Robert G. Cooper, editorial page editor, daily Joplin Globe. Conservative, Republican paper in a rural agricultural region. Concerns: energy, inflation, beef prices and imports, grain farming and the pocketbook effects of foreign policy.

NEW JERSEY

Gabriel H. Gluck, chief editorial writer, daily Bridgewater Courier-News (Gannett). High-income, suburban community with many New York City commuters. Concerns: Inflation, energy, recent flooding problems (received emergency federal loans), and business/tax/budget interests.

NEW YORK

Samuel Williams, owner-publisher, daily Finger Lake Times, Geneva. Very Republican area with major interest in fiscal issues, energy and inflation. Local concerns: Love Canal (pollution) problem, proposed federal takeover of the West Valley nuclear waste disposal area set up by Rockefeller and the Army's Senecca Ordinance Depot.

Read Kingsbury, editorial page editor, daily Times-Union, Rochester. Home of Eastman Kodak and first home of Xerox. Concerns: Love Canal, prison reform, general industry, labor, truck farming (fruit), West Valley nuclear waste disposal and winter navigation on the Great Lakes.

Arthur J. Clayman, editorial writer, daily Schenectady Gazette. Fairly conservative paper and area, dominated by a G.E. turbine generator plant. Concerns: energy, inflation and urban issues (CETA, unemployment, aid to cities). Strong support for nuclear energy.

NORTH CAROLINA

Terry Eastland, editor, editorial page, daily Greensboro Record. Very conservative area and paper. Eastland's column is to the right of Reagan. Very hard on the Administration, especially Califano. Concerns: Tobacco, inflation, energy and rural urban development grants. Disagreed with Panama Canal treaties and normalization of relations with China.

John S. Hart, editor, daily Monroe Enquirer-Journal. Conservative paper in bedroom community of Charlotte. Concerns: nuclear energy and waste disposal (several plants being built in area), a dispute between the leader of the "Praise the Lord" television network and the FCC; UNC and HEW dispute over federal funds; and energy.

PENNSYLVANIA

Thomas A. Waseleski, editorial page assistant, daily Beaver County Times. Well-respected, moderate paper. Concerns: closing of nuclear power plant (Beaver Valley Unit One) for health and safety reasons, utility prices, steel production and specialty steel imports, unemployment, deteriorating highways (no matching funds for federal aid requests), and revenue sharing. There is rising local resentment that the utility consortium will pass on costs of the nuclear plant closing to consumers, amounting to several million dollars.

RHODE ISLAND

Brian Dickinson, chief editorial writer, daily Providence Journal and Evening Bulletin. Concerns: unemployment, energy (very dependent on imports), Navy lands that are being bought by the state (locals believe too expensive), Charlestown nuclear plant, revenue sharing and CETA, industry (jewelry and textiles), and sewage disposal.

SOUTH CAROLINA

John M. Craddock, associate editor, daily Charleston Evening Post. Very conservative Republican paper. Concerns: defense budget and possible military base closings (Paris Island and Fort Jackson), labor law reform, environment, historic restoration of Charleston, education, Taiwan and the Middle East.

TENNESSEE

Eve M. Sparks, editorial writer, daily Jackson Sun. Concerns: soil erosion in West Tennessee (TVA and USDA have offered support), rural development, agriculture (soybeans, cotton, truck farming), inflation and energy.

TEXAS

Bronson L. Havard, editorial writer and columnist, daily Dallas Times Herald. Moderate, Democratic paper, tending to support Administration's foreign policy and efforts to tighten the federal budget. Concerns: energy (regulatory legislation, business interests, and gas rationing), CAB ruling on interstate flights into Love Field, CETA and other urban issues.

Barbara Funkhouser, editorial page editor, daily El Paso Times (Gannett). Very conservative paper in an urban community. Concerns: border problems, Fort Bliss and other defense issues and federal budget. There is some local resentment because the federal government would not get involved recently when Mexican Nationals blocked bridges to El Paso.

WASHINGTON

Robert A. Witas, chief editorial writer, daily Milwaukee Sentinel. Concerns: emergency aid for snow removal, railroads, environmental problems, new federal building being built in Milwaukee. The paper is generally not supportive of Administration initiatives.

D.C.

<u>William V. Thomas</u>, staff writer, Editorial Research Reports.

CANADA

Joan T. Fraser, editorial page editor, The Gazette, Montreal, Quebec.

William A. Thorsell, associate editor, Edmonton Journal, Edmonton, Alberta.

WASHINGTON 3/30/79

The Vice President

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson



THE VICE PRESIDENT

WASHINGTON

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THE WHITE HOUSE WASHINGTON

3/30/79

Frank Moore

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Rick Hutcheson

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THE WHITE HOUSE

WASHINGTON

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CONGRESSIONAL TELEPHONE CALL

1

TO:

Rep. Tim Lee Carter (R-5-KY.)

DATE:

As soon as possible

RECOMMENDED BY:

Frank Moore and Bob Maher

PURPOSE:

To express your concern regarding his hospital confinement.

BACKGROUND:

Congressman Carter is in Bethesda Naval Hospital. He has had problems with headaches caused by an artery pressing on a nerve in his neck. He is feeling better but will be there a few days. A phone call from you would serve two purposes. First, he has said on several occasions that he wants to help us on hospital cost containment. He feels if we can reach an agreement maybe he can bring two Republicans with him. We have talked to the two Republicans and I think there is a possibility of this in the Subcommittee. He is very important in breaking the solid GOP block on the Subcommittee and eventually on the full Committee.

Rep. Carter is fond of you and responds very well to this kind of personal consideration. Paul Rogers used this many times. Secondly, you can explain that we are trying to work out something on the deadline and knew this was important to him because some of his Republican colleagues are pushing this. By trying to work this out, we are trying not to put Dr. Carter in the position

of having to defend his minority's early position on the deadline. You should say you understand he is trying to work with us and that because of his leadership and knowledge of the cost containment bill we need his help.

He can be reached at the hospital 295-0870.

Date of submission

March 29, 1979

426-1111

THE WHITE HOUSE 3/29/79 WASHINGTON

Mr. President:

Sec. Adams called for you at 10:15 am. His office called yesterday and asked for an appointment with you today or tomorrow to discuss eneergy matters. Stu said Adams did not need to meet with you so I asked Adam's office to send a memo to you through Watson to cover any matter he felt important.

Phil

ok.

decontrol-west Teamstons-Kahn-explore this week-end

THE WHITE HOUSE WASHINGTON 3/30/79

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

WASHINGTON 3/30/79

Mr. President:

Attached is the paper from Sec. Adam's he promised. Watson's office has also talked with Brock about his concerns on the teamster's settlement and Brock stands ready to help if you want him to.

Phil

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THE SECRETARY OF TRANSPORTATION WASHINGTON, D.C. 20590

March 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

Brock Adams

SUBJECT:

Shift in Consumer Spending on Petroleum Through Decontrol

and a Flat Per Barrel Tax on Oil Companies

I have previously given to you a memorandum on how various tax proposals might be constructed to tax the windfall profits of the oil companies. This tax would recapture part of the money that will be paid by users of petroleum to avoid windfall profits to the oil companies and to preempt OPEC and other suppliers from simply continuing to raise the price of petroleum.

If you desire to proceed with decontrol in order to avoid the present complexities and bureaucracy of controls, the American public needs to understand the system better. They should be told that the price of oil is artificially set by an international cartel. This cartel benefits both foreign and domestic producers who charge a price with no relationship to the cost of producing oil either abroad or in the United States. With decontrol, the revenues that will flow to foreign nations and the profits that will flow to the American oil companies will be even greater than they are currently perceived to be. If the Government does not preempt part of these increases, which will continue until the price is such that consumers revolt, then all of the increases will go to the international oil industry.

Although we do not know what the price of gasoline will be, it certainly will be in excess of \$1 per gallon. Similar increases will affect heating oil and the industrial feedstocks that go to agriculture and other parts of the community. The most resented of the increases will be those for gasoline and heating oil, because these are immediately passed through and are very visible to the consumer.

GOVERNMENT PROTECTION OF OIL CONSUMERS

As I indicated to you last week, I would couple any proposal to decontrol oil prices with a flat tax on each barrel of petroleum. This could cover all petrolum use, or only domestic production. The price increase resulting from decontrol could be presented as

necessary to shift spending in the American economy from petroleum to other uses. To do this, a part of the ultimate world price is removed by the Government and returned to the American consumers for beneficial purposes.

I would recommend that you do not decontrol oil without such a tax being passed and in place.

If the suggested amount of \$3 per barrel on all oil consumption is used, revenues of \$20.5 billion are generated. With these revenues, you could remove the 4¢ tax on petroleum at the pump (which would cost about \$4.6 billion in revenue) and reimburse the highway trust fund from the oil tax. In addition, you could fund transit capital investment at \$3.5 billion (up \$1 billion from existing authorizations), automobile research and development at \$500 million, energy transportation roads at \$500 million, and State energy incentive grants at \$500 million. This would achieve two results. First, \$4.6 billion of the money that would otherwise go to the oil companies would be transferred to the consumers directly at the pump. Second, we would begin to provide alternative sources of transportation that use less petroleum, as well as providing funding for the movement of coal which can replace petroleum.

The remaining \$10.9 billion would be available for an energy tax rebate which could be prominently displayed on the 1040/1040A tax returns. The amount of this rebate could be adjusted to give particular attention to heating oil users. It could be tied also to the withholding system, so that individual taxpayers would have their withholding reduced when the \$3 per barrel petroleum tax went into effect. It is also possible for the Treasury Department to provide a direct payment to the very poor who are not subject to withholding or income tax requirements, as has been done with income credits in the past.

The result of the above program would mean that you would directly feed back into the economy \$15.5 billion of the estimated \$20.5 billion that the tax would raise. Flowing part of this rebate through the pump price of gasoline would help those who are particularly vulnerable to higher prices, such as the rural poor. However, you might prefer to choose a higher gasoline price in order to discourage consumption. In this case, the income tax rebate mechanism would include the full \$15.5 billion.

A transportation trust fund would be established which would use the remaining \$5 billion to provide stable and assured financing for transit, auto research development, energy transportation roads, and State incentive grants. In total, the new fund and the gas tax offset are roughly equal to the proportion of revenue generated by transportation use of petroleum.

I have attached two charts which demonstrate how this money would flow from either a \$3 tax on all oil, or a \$3 tax on domestic production only.

I believe the American people will support your attempts to shift spending from petroleum to other uses if it is presented in this fashion. They know the oil companies are going to raise prices. If you directly tie some of the revenues that are raised to transportation uses, this will be understood, particularly if you substitute for the 4¢ gas tax. I would not touch the other excise taxes on trucks, tires, and lubricating oil, since these are quite complicated, do not go directly to the consumer, and represent excess cost of road construction attributable to trucks.

Rebating the additional amount of money through the withholding system will offset the pending increases in the social security tax, or will provide consumers with additional money to spend in the economy on items other than petroleum. If they wish to buy petroleum at a higher price, then that would be the consumers' choice. Since that price will be increasing rapidly, we will begin to see more and more of a shift to more fuel-efficient cars or public transportation if we make these alternatives available.

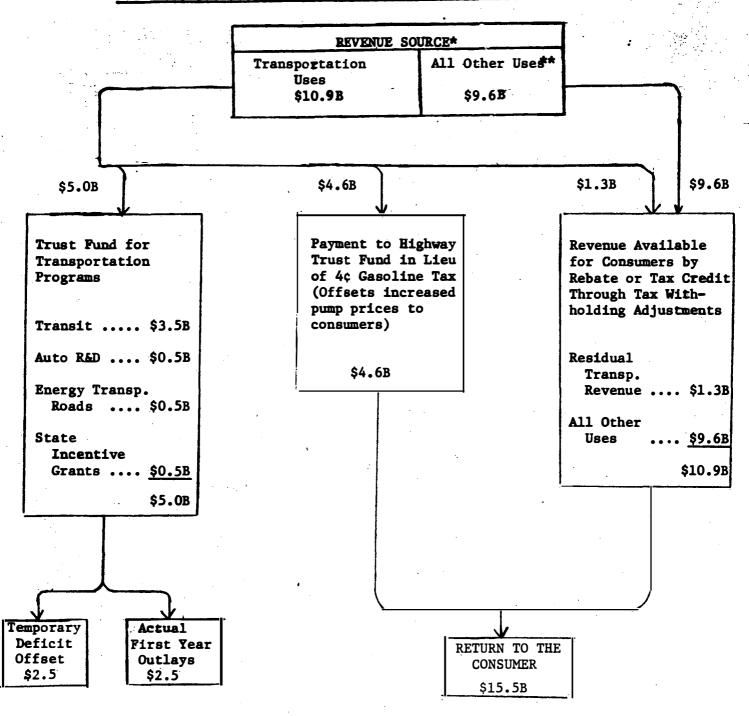
CONCLUSION

I believe this would achieve your goal of providing equity for the lower and middle.income families who are most affected by petroleum price increases and would, through the flat excise tax per barrel of oil, remove a portion of the windfall profits with another portion being removed through the regular corporate tax system. In this manner, you will avoid simply shifting income from the poor to the rich through decontrol.

If you have decided you want to decontrol, this system provides a simple way of removing such controls and a simple system of taxation which does not have the pitfalls that are present in any type of excess profit tax. I hope I will have a chance to discuss the consumer position with you prior to your final decision on how to handle the matter of decontrol.

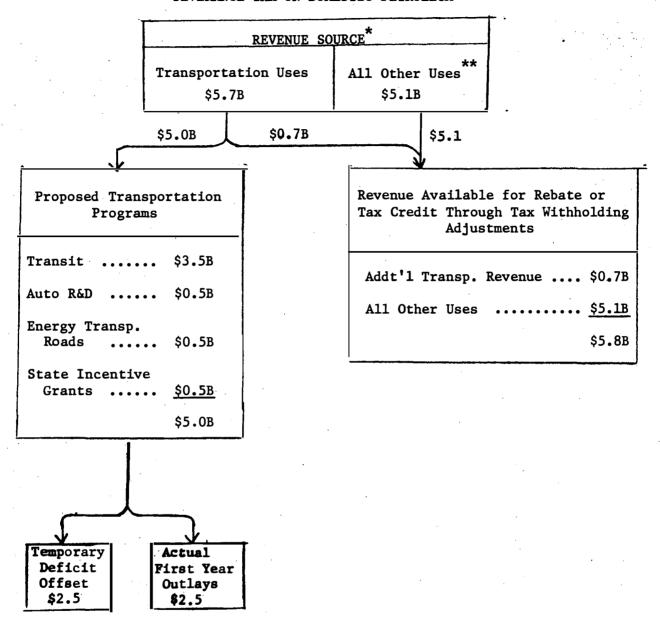
Attachments

PROPOSED REVENUE DISTRIBUTION OF \$3 PER BARREL TAX ON PETROLEUM



^{*} Tax revenue estimates based on a consumption level of 19 million barrels/day. ** Industrial, heating, etc.

PROPOSED REVENUE DISTRIBUTION OF \$3 PER BARREL SEVERANCE TAX ON DOMESTIC PETROLEUM



^{*} Tax revenue estimates based on a production level of 10 million barrels/day domestic.

^{**} Industrial, heating, etc.

THE WHITE HOUSE WASHINGTON

3/30/79

Anne Wexler

The attached was returned in the President's outbox today and is forwarded to you for your information.

Rick Hutcheson

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THE WHITE HOUSE

WASHINGTON

March 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER

You have received a report today on the meeting with the businessleaders from Fred Kahn.

Right now there is a lot of pressure on people like Tom Murphy and John deButts to distance themselves from us and to decrease their efforts on our behalf. I think a telephone call from you to them this evening would be helpful.

John deButts was the leader in the meeting who offered to support us on everything except on the increased price deceleration and he can provide leadership in supporting the decisions made today.

Their telephone numbers are:

Tom Murphy 212-486-3517

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John deButts 212-393-3412

THE WHITE HOUSE WASHINGTON

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THE CHAIRMAN OF THE TO COUNCIL OF ECONOMIC ADVISERS WASHINGTON

EYES ONLY

March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

Subject: The Index of Leading Economic Indicators

The index of leading economic indicators for February will be released by the Commerce Department tomorrow (Friday, March 30) at 10:30 a.m. The index declined 0.9 percent last month.

The monetary series (liquid assets and the broadly-defined money stock, M₂) were the main source of the February decline in the overall index. These monetary series are not signalling weakness in the economy; rather, their behavior reflects efforts by the public to shift into financial assets with higher yields -- assets that are not included in the index.

The index for previous months was revised, so that the December 1978 change is now a plus instead of minus; the January index, however, still shows a decline. Since the index has shown only two consecutive declines, however, the press is likely to conclude (correctly) that a recession is not right around the corner.

THE WHITE HOUSE WASHINGTON

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March 29, 1979

TO: The President

FROM: Sarah Weddington

As you requested, this note is by way of reminder that I am concerned about the lack of solid leadership in the Division of International Women's Programs within the State Department. That unit is particularly important because it is the basic unit that participates in planning the U.S. participation in the 1980 Mid-Decade Conference for Women and various other international activities.

I have breakfast set with two of the State Department officials higher in the chain of command on Monday, Charles M. Maynes, Assistant Secretary for International Organization Affairs and George A. Dalley, Deputy Assistant Secretary for International Organization Affairs.

However, at some point I may need to request assistance from Secretary Vance through you.

THE WHITE HOUSE WASHINGTON 30 March 79

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson





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ROBERT C. BYRD
March 29, 1979

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Suggestions for Increasing the Domestic Production and Use and Export Sales of Coal

atly with

As a consequence of discussions I have had recently with high-ranking Administration advisors, coal-state Senators and representatives of the coal industry, various proposals for advancing the use and development of coal were offered. These suggestions were put forth both to reaffirm coal as a critical element in the formulation of a comprehensive energy policy and to assure the economic viability of America's coal industry. While these recommendations are offered as guidelines for Administration action, their consideration is strongly urged.

The recommendations are as follows:

(1) Increased Coal Use. Industry spokesmen agreed that approximately 500,000 barrels of oil per day could be saved by the adoption of measures to immediately increase the use of coal. Coal-fired electrical generation plants are currently operating at only 56 percent of capacity. Easing of environmental restrictions on the use of coal, accomplished by executive order, would permit operation at greater capacity and would allow utilities and industrial plants now using oil or natural gas to switch to coal. In addition, the wheeling of excess power generated by utilities in the Mid-Atlantic and Mid-West states making greater use of coal-fired capacity would help meet the needs of the oil-dependent Northeast.

- (2) Over-regulation. Senators and trade representatives alike expressed frustration with the proliferation and duplication of federal and state regulation of the coal industry. The Environmental Protection Agency, OSHA and the Department of Interior came in for the heaviest criticism, although at least eight agencies or regulatory programs of the federal government create a regulatory nightmare for the coal industry. Clean air standards and permitting procedures are seen as the greatest barriers to the development of coal as an alternate fuel source. Wasteful, inconsistent and duplicative regulations must be streamlined if the coal industry is to play a significant role in supplying needed energy. addition, federal agencies involved in the approval of permits affecting coal-fired powerplants must speed up the process of reviewing requests and applications.
- and other foreign countries was identified as a major threat to the economic health of the coal industry. Coal produced in the United States is no longer competitive in foreign markets, in great measure due to the increased costs of production resulting from regulation. Coke is apparently being dumped in the United States by the Germans damaging domestic coal and coke production even further. Your assistance has been requested to encourage Japanese importation of American coal.

- (4) Research and Development. The Administration is claiming that funds are not available for large-scale research and development projects on the use and production of coal because of demands to present a balanced budget. The Office of Management and Budget cut these budget requests for coal research and development despite DOE recommendations that the projects be funded. I have previously requested that you submit a budget amendment restoring research funds for coal, particularly SRC I and SRC II demonstration projects.
- (5) <u>Presidential Action</u>. To date, there seems to be no strong commitment on the part of Administration policy makers to the use and development of coal, despite the current energy shortage. The commitment to coal as a key component in a comprehensive energy policy must be restated publicly by you, and your prestige must be placed behind the increased use of coal as a viable alternate energy source and funding of coal research.

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THE WHITE HOUSE WASHINGTON

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THE WHITE HOUSE

WASHINGTON

March 30, 1979

MEMORANDUM TO

JACK WATSON

You are officially designated as coordinator for me of the efforts of Federal agencies to limit any physical damage and to prevent any personal injury from the Three Mile nuclear power plant in Pennsylvania.

Keep me thoroughly informed. I am available to give any necessary assistance.

Timen Certin

THE WHITE HOUSE WASHINGTON

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THE WHITE HOUSE WASHINGTON

3/30/79

Frank Moore

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Rick Hutcheson

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THE WHITE HOUSE WASHINGTON

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Nell:

Re Minority Leader Rhodes' call to the President

Bill Cable called the Congressman and explained that the President was in meetings all afternoon and would not be able to return the call immediately.

Rhodes wants to talk to the President regarding his and Senator Baker's support for the reappointment of Governor Vernon Thompson to the FEC.

Rhodes has already talked to Frank about this same subject.

Frank advises:

The President return Rhodes call,

Tell Rhodes that Frank has advised him of his support for Gov. Thompson, and

Say that that decision has not yet reached his desk.

Patti DeSouza 3/29/79

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